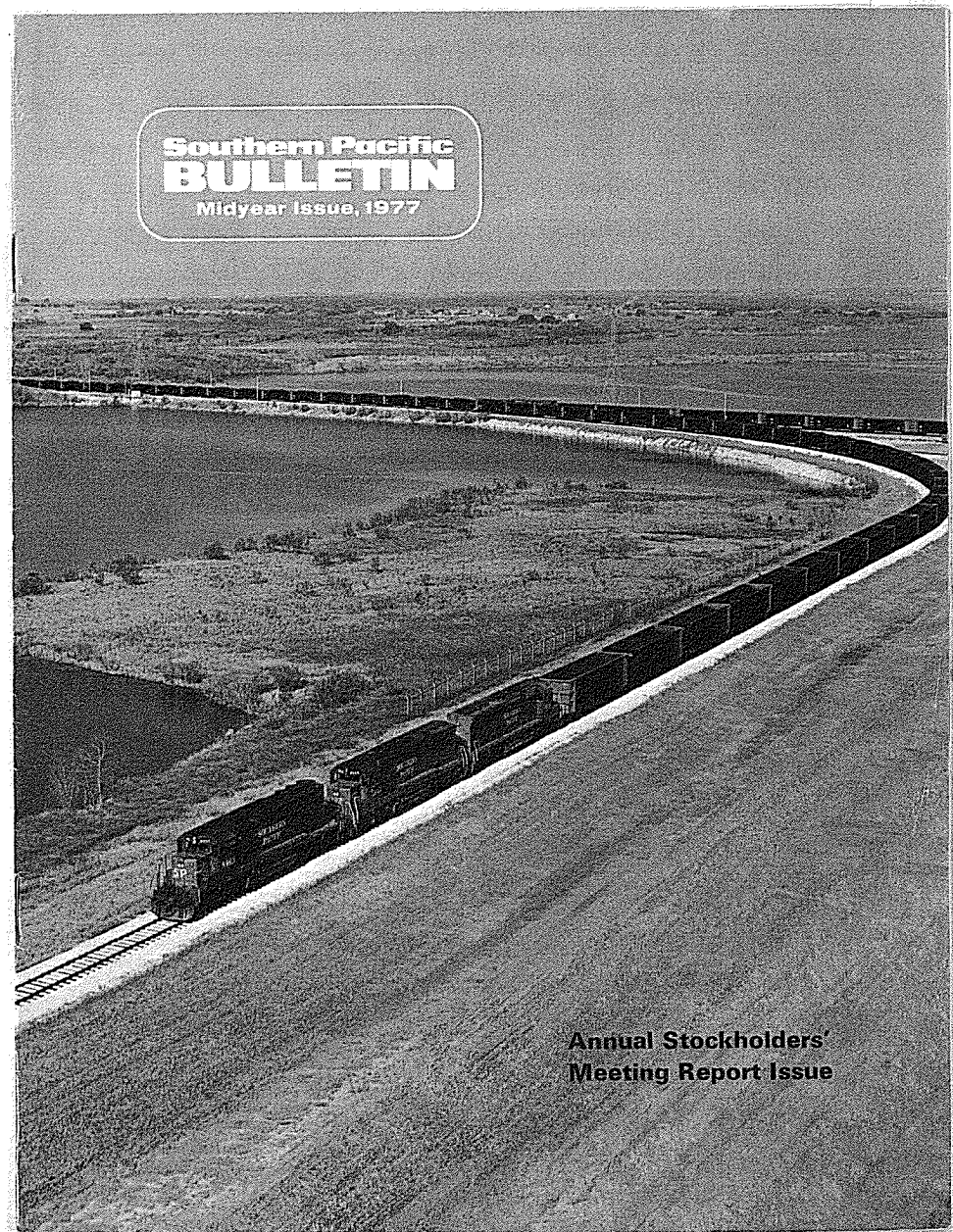
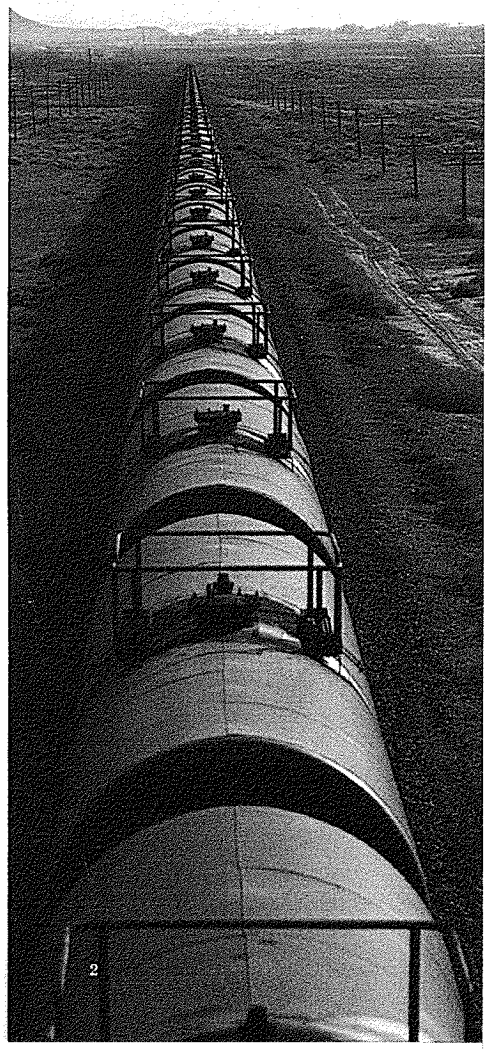
Southern Pacific BULLETIN

Midyear Issue, 1977



Annual Stockholders' Meeting Report Issue



ENERGY TRAINS

Big coal traffic gains seen for SP unit trains—Alaskan oil could move by rail, too

OIL HAS STARTED to move through the Alaskan pipeline to help relieve the energy crunch. In a few months, the pipeline may be delivering as much as 500,000 more barrels of crude oil every day than the West Coast market can absorb. A problem is transportation, because there aren't enough pipelines going to the right places to do the job.

"The best way to move the surplus oil to inland refineries is by rail," Southern Pacific Chairman Benjamin F. Biaggini told a national television news audience earlier this year. "When the Arab oil embargo hit so hard three years ago, Southern Pacific helped to ease the gasoline shortage on the West Coast by running unit oil trains from Utah to a California refinery."

The oil trains are still running, between Salt Lake City and Chevron's Richmond refinery. Each of the 70-car trains carries about 38,000 barrels a trip.

"The railroad has the capacity to carry much more," Mr. Biaggini commented, noting it would only take 13 or 14 trains to handle the entire anticipated surplus. On an average day, SP runs about 600 trains.

Flexibility of Trains

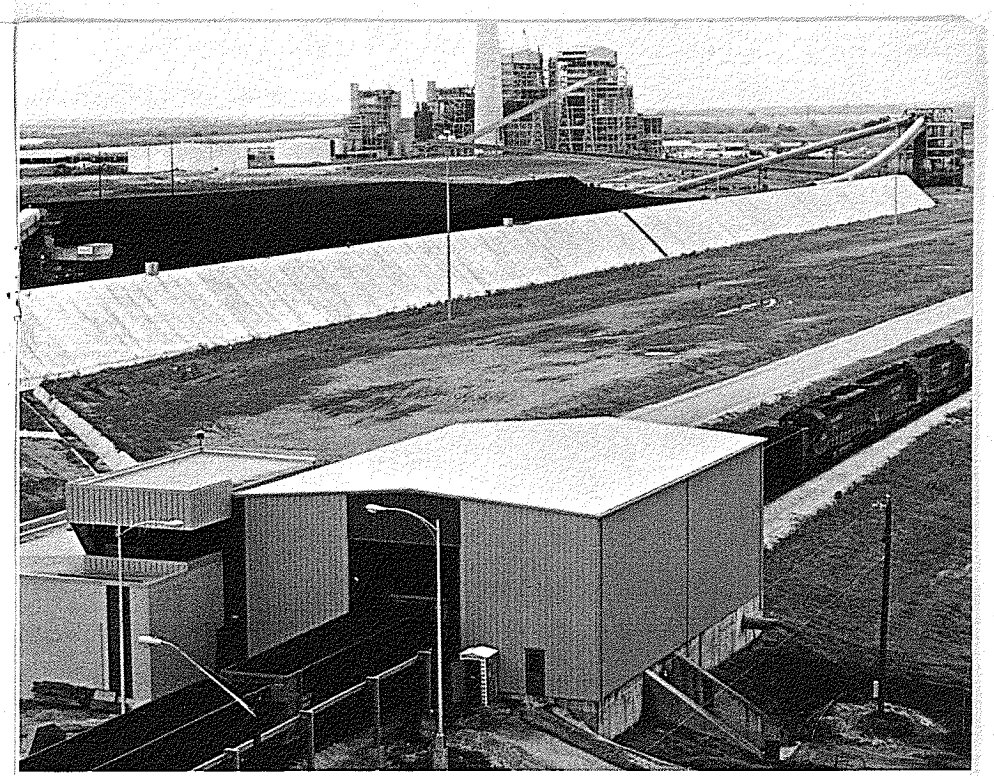
"Trains also have the added advantage of being able to deliver oil quickly to any point in the country that needs it," he said. "I see no reason to wait several years for new pipelines, or to send our Alaskan oil to Japan in exchange for Arabian crude, when the capability exists to maintain control all the way from the oil fields to the gas tank."

Southern Pacific is working with the oil industry on the idea, and studying proposals to use up to 20 tank cars in groups connected by flexible hoses. All cars could be loaded or unloaded at a single connection, speeding turn-around time to minimize the amount of equipment needed and reducing environmental effects of fumes or odors at the terminals.

Railroads obviously have a very large role to play in energy production and conservation. Trains have long been recognized as the most fuel-efficient and environmentally sound form of land transportation for most volume freight movements over extended distances.

COVER and above right: Southern Pacific delivers 110-car unit train carrying 11,000 net tons of Wyoming coal to the City of San Antonio's electrical generating plant at Elmendorf, Texas. The power plant, with a capacity of 872,000 kilowatts, will use about 3 million tons of coal a year.

At left, Southern Pacific unit train of crude oil runs west at Fernley, Nevada, en route from Utah oil fields to a San Francisco Bay Area refinery. Its 70 tank cars carry more than 1.5 million gallons of oil per trip.



Several studies have shown that railroads can carry up to four times as many ton-miles of freight per gallon of diesel fuel as large trucks can.

Unit trains—full trains shuttling from origin to destination without intermediate switching—are particularly efficient in moving heavy tonnage freight. Coal is a prize example. Railroads handle 66% of the nation's present coal production, and that will be a growing assignment for SP and other lines.

President Carter has called for a two-thirds increase in coal production, as a critical energy measure. Coal now provides only 18% of our total energy needs, but makes up 90% of our energy reserves.

The railroads expect to win a healthy share of the new traffic and anticipate no difficulty in having rolling stock and trackage ready by the time the new mines and power plants get into operation.

Coal Traffic Increases

"Southern Pacific hasn't been generally considered a 'coal railroad' in the past, but that's changing," Chairman Biaggini told the Annual Meeting of Stockholders. "We had a 351% increase in carloads of coal handled on SP lines in the first four months of this year, compared to last.

"That gain, to be sure, was made from a fairly small start and largely comes from the new, regular unit coal train operation between Wyoming and San Antonio, Texas, which began last October. This one route will handle about 3 million tons of coal per year, and it's

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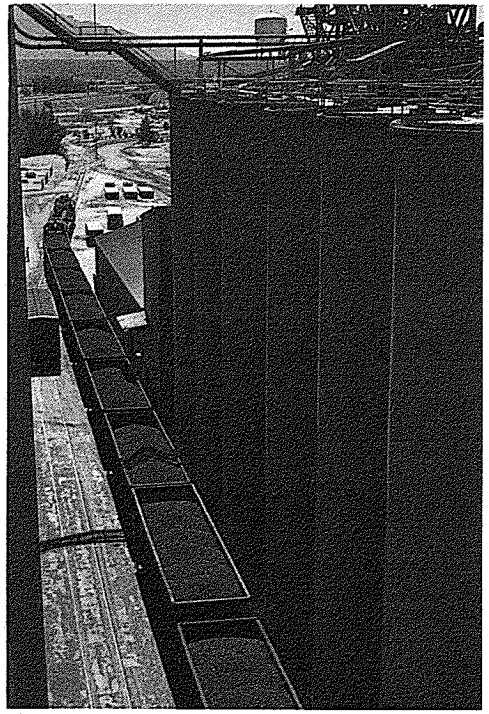
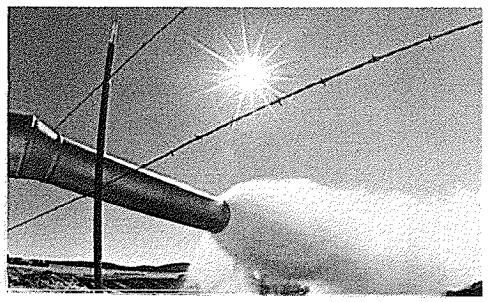
Published for active and retired employees by the Public Relations Department, Southern Pacific Building, One Market Plaza, San Francisco, CA. 94105. This special issue, containing the report on the Company's Annual Meeting (pages 6-10), is being sent to Southern Pacific stockholders with the hope that it will be of general interest.





just a beginning.

"Our projections are that, by 1985, Southern Pacific will be moving 46 million tons of coal annually within our territory," Mr. Biaggini said, "as new coal-using industrial and electrical generating plants are constructed, or existing ones converted to coal."

Several Potential Routes

SP people are working now with the potential shippers and receivers of unit trains of coal, analyzing movements from mines in Utah, Wyoming, Colorado, New Mexico and Texas to destinations in California, Texas, Arizona and Nevada. Start-up dates range from late this year through 1984.

Construction is well under way on two new major power plants which will receive unit trains of coal from Southern Pacific. The big Apache Power Generating Station of Arizona Electric Power Cooperative, Inc., at Cochise, Arizona, 80 miles east of Tucson, is expected to get its first deliveries of coal from New Mexico in April, 1978. At full capacity, the plant will use about 1.5 million tons a year.

Central Power and Light Company of Corpus Christi has work well under way on a 550,000-kilowatt generating station at Coleto Creek, in south Texas. When it opens late in 1979, it will need three 100-car trains, the company says, to satisfy the plant's appetite for 30,000 tons of coal each week. CPL has a 25-year contract to get low-sulfur coal from Colorado.

Coal for Industry

Southern Pacific is moving blocks of coal cars to other industrial users, such as two in Arizona which have recently converted manufacturing processes to coal.

Hecla Mining Co., south of Casa Grande, uses coal to heat and process metal in its copper refinery. The Arizona Portland Cement Co. at Rillito, 17 miles north of Tucson, last Fall switched to Utah coal for its 2,800-degree cement kiln operation, because of shrinking natural gas supplies.

SP similarly is carrying Utah coal now for the Calaveras Cement Co., at San Andreas, in the "Mother Lode" foothills of Northern California.

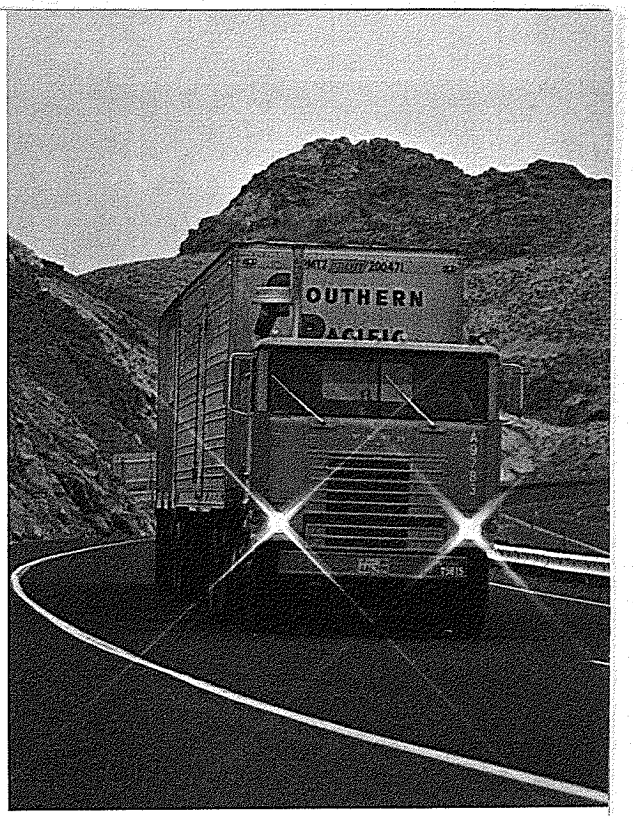
Export shipments also play a part in SP's future coal traffic. The Port of San Francisco is endeavoring to develop the deep-water berths at the old Hunter's Point naval shipyard into a terminal for bulk commodities, such as coal for Japan. SP serves the area and is working on plans for this potentially important route.

Top left: SP freight train crew switches 21 cars of coal into Arizona Portland Cement Co. plant at Rillito, Ariz. It is one of many industries converting to coal.

Middle left: The railroad is not the only member of the SP family carrying heavy energy traffic. Southern Pacific Pipe Lines, Inc., last year moved about 26 billion barrel miles of petroleum products in six states. Pictured is its Brisbane tank farm south of San Francisco.

Bottom left: Added energy production is a major goal of Southern Pacific land management, and geothermal steam offers an interesting potential for electric power production. This Phillips Petroleum Co. test well is on land leased from SP at Desert Peak, near Hazen, Nevada. (Phillips Petroleum Co. photo.)

ICC Decision Opens the Road For PMT Trucks



Pacific Motor Trucking "double-header" rolls west toward Reno, Nevada, on Interstate 80.

Pacific Motor Trucking Company, Southern Pacific's highway subsidiary in the West, should be allowed to offer a full range of common carrier truck service on 21 routes in four states, according to an Interstate Commerce Commission decision issued May 10.

The ICC finding opens the way for PMT to obtain unrestricted operating certificates on key routes in California, Nevada, Arizona and New Mexico. These would replace old, restricted certificates which limited PMT operations in several important areas to only handling "substitute service" for railroad freight. As an example of one inefficient restriction, PMT trucks could operate in Southern California up to the Arizona border at the Colorado River, and from Phoenix west to the border — but they couldn't cross the river to connect these areas of service. This non-productive situation would be corrected under the new ruling.

The ICC, after lengthy hearings at which more than 200 shippers testified in support of the PMT application, decided that "public convenience and necessity . . . require operation" by PMT of unrestricted service on the 21 routes.

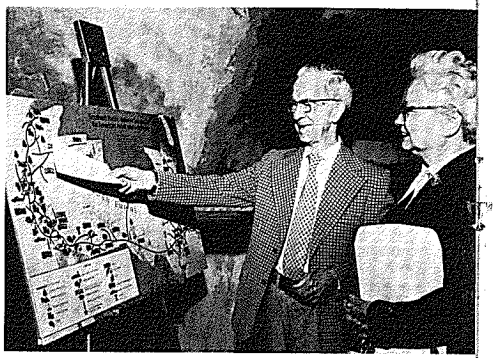
The decision in effect authorizes PMT to provide a full-fledged highway service from Portland, Oregon, south through California and Nevada and east through Arizona and New Mexico to El Paso, Texas. (Other SP highway subsidiaries operate in Texas, Louisiana, Arkansas, Tennessee and Missouri.)

"Most important," explains PMT President B. R. Johnson, "this gives us the opportunity to operate much more efficiently and productively. We can get better use out of our truck miles and offer a fuller range of services to our customers."

It will be particularly helpful to customers in smaller communities, many of whom depend upon PMT for their only regular common carrier truck service, Johnson says. PMT now often picks up their shipments and then has to turn them over to another carrier when it reaches one of the restriction points —even though it could more logically and efficiently handle the business all the way on PMT's own trucks already running on that next stretch of highway.

"It is fundamental that new operations should be evaluated as to whether they can meet the reasonable transportation needs of the shipping public which are not being met," the ICC decision stated. The record establishes "a valid public need," it added, which shows "the desirability of additional competition from applicant (PMT), which provides a somewhat different service through its generally greater responsiveness in handling small shipments and in meeting the needs of shippers it serves."

Stockholder Betty Spark of New York City, who had asked several questions during the Annual Meeting, chats with Chairman B. F. Biaggini at the close of the session.



Shareowners Alex and Wilma Stewart of West New York, N.J., check a map showing industries and natural resources along Southern Pacific lines and appear to like what they see.

Summary of the Annual Meeting of Stockholders

To the Stockholders of Southern Pacific Company:

The Annual Meeting of Stockholders was held on Thursday, May 19, 1977, at 4 East 61st Street, New York City, New York. Mr. B. F. Biaggini, Chairman, President and Chief Executive Officer of the Company, presided.

There were 23,062,660 shares of the Company's capital stock, 85.7% of the total outstanding, represented by proxy or in person at the meeting. Since 1970, more than 85% of the outstanding shares of stock have been represented at each annual meeting. This evidence of interest by the stockholders in the affairs of the Company is appreciated by the Management and Directors.

Election of Directors

The following nominees were elected to serve as Directors of the Company until the next Annual Meeting of Stockholders:

Stephen D. Bechtel, Jr.	Edmund W. Littlefield
B. F. Biaggini	Richard K. Miller
Thomas M. Evans	Michael A. Morphy
Alan C. Furth	Henry T. Mudd
John W. Hanley	George B. Munroe
Ellison L. Hazard	Richard S. Perkins

Management Proposal

Management introduced the resolution set forth in the Proxy Statement to ratify and approve the action of the Board of Directors in employing Haskins & Sells as independent public accountants to audit the books, records and accounts of the Company and its subsidiaries for 1977. The resolution was adopted, 22,935,298 shares voting "FOR" and 123,015 shares (held by 596 stockholders) voting "AGAINST".

Stockholders' Proposals

The following resolutions were introduced by Mr. Donald K. Buxton on behalf of Messrs. John and Lewis Gilbert and Mrs. Wilma Soss:

FIRST RESOLUTION:

"RESOLVED: That the stockholders of Southern Pacific Company, assembled in annual meeting in person and by proxy, hereby request the Board of Directors to take the steps necessary to provide for cumulative voting in the election of directors, which means each stockholder shall be entitled to as many votes as shall equal the number of shares he owns multiplied by the number of directors to be elected, and he may cast all of such votes for a single candidate, or any two or more of them, as he may see fit."

Messrs. James W. Jones and Buxton made statements in support of the resolution; however, it failed to carry as 20,957,257 shares voted "AGAINST" and 904,157 shares (held by 5,041 stockholders and representing 4.14% of the votes cast) voted "FOR" the resolution.

SECOND RESOLUTION:

"RESOLVED: That the stockholders of Southern Pacific Company, assembled in annual meeting in person and by proxy, hereby request that the Board of Directors take the steps necessary to restore limited pre-emptive rights to the shareholders."

This resolution also failed to carry as 20,876,598 shares voted "AGAINST" and 1,082,083 shares (held by 6,246 stockholders and representing 4.93% of the votes cast) voted "FOR" the resolution.

No other matters were presented for action at the meeting.

Management Comments

1977 has been an excellent year so far for Southern Pacific, Mr. Biaggini told the stockholders. While it would be unrealistic to expect the same 80% improvement in earnings that took place in the first quarter to be sustained over the remainder of the year, it appears that second quarter net income will be a "bit better" than the $31 million, or $1.16 a share, recorded in the same period of 1976.

"If our current level of business continues," Mr. Biaggini declared, "I think it is likely that Southern Pacific will also set a new record for net income for the year, and improve on the previous high of $111.9 million, or 4.20 a share, that was set in 1974. We don't see any major clouds on the horizon to dampen expectations of a continued business up-turn."

Southern Pacific's trucking, pipeline, real estate and natural resource subsidiaries all reported improved revenues and operating income in the first quarter, but the most substantial gains came from railroad subsidiaries, whose operating income rose 95% from 1976 to $47 million this year. "The improvement was accomplished," Mr. Biaggini said, "because we were able to increase railroad revenues by 16% while holding the rise in expenses to 11%. One measure of our ability to get longer hauls and improve efficiency with heavier loadings per car is the fact that freight carloadings rose 3%, while revenue ton miles went up 6.6%."

The growth patterns for railroad freight traffic include the potential for handling much greater coal and oil traffic in unit trains, he commented. (The article beginning on page 2 outlines this development in detail.)

With traffic increasing and with the addition of heavy unit trains on some routes, Southern Pacific is stepping up maintenance of track and equipment. It plans to lay 530 track miles of rail this year, up 37% from the 388 miles of 1976, and install 1.4 million crossties, up 8%. "There's a good chance we'll expand those programs," Mr. Biaggini said. "Overhauls of diesel locomotives are being speeded, and 5,400 freight cars will be repaired in our heavy car shops."

Southern Pacific's capital improvements program for 1977 will total about $202 million, compared to $155 million in 1976. Railroad subsidiaries will invest about $157 million this year—$59 million for roadway and $26 million for rehabilitation of equipment (in addition to expanded maintenance programs in both areas), and $72 million for new rail equipment, primarily 12 locomotives and 1,590 freight cars.

The San Francisco-San Jose rail commuter service continues to be a problem, with the loss probably reaching $10 million this year, the stockholders were told. Patronage has declined from a high of 16,500 in 1954 to less than 7,500, and the California Public Utilities Commission has not reached a decision on a rate increase request for over 2½ years. "We can no longer absorb losses of this magnitude and have started the machinery in motion to discontinue the service by filing an application with the California P.U.C.," Mr. Biaggini said.

Southern Pacific's non-railway subsidiaries will invest about $45 million in improvements this year, with $22 million of this destined for Southern Pacific Communications Company, primarily for customer equipment. SPC, a specialized common carrier, now provides microwave service to 45 cities coast-to-coast. It has more than 750 customers and a capacity of 6.5 million circuit miles.

Mr. Biaggini noted that SPC "has had a lot of start-

up costs as it built its system and initiated new services, but its network is in good shape and the main emphasis now will be to plug new customers into the system. SPC expects a substantial pick-up in revenues during the rest of the year. With expenses staying about level, its operating loss in 1977 should be reduced significantly from last year, and profitability should be just around the next corner."

Highway subsidiaries, which truck many new automobiles from assembly plants, are doing better with the general improvement of the economy. Pipeline operating income has improved, as petroleum products lines move a greater volume to utility power plants and higher rates have been negotiated for the Black Mesa coal slurry line.

Real estate and natural resource subsidiaries enjoyed greater income from oil and gas leases and land sales in the first quarter. The western drought may affect production from agricultural leases and timber sales later this year, but this is expected to be offset, to a great extent, by higher prices. Mr. Biaggini said that timber sales will be good this year, as the forests are not as dry as expected, but it will be hard to match 1976's record stumpage revenues of $19.7 million. Real estate and industrial development programs are going forward at many locations, with a major opening for the International Rivercenter development at New Orleans scheduled for August. (A spread of pictures of this and other projects begins on page 11.)

Stockholders' Questions

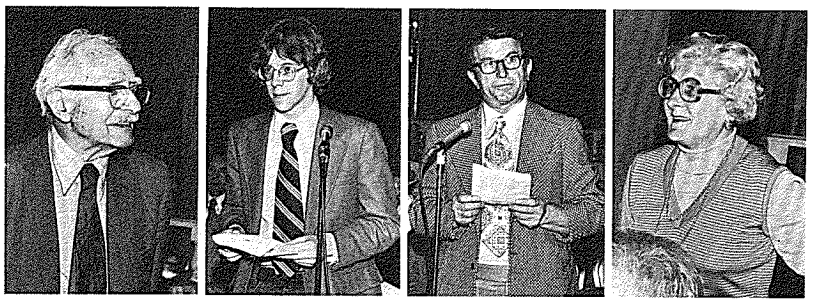
A summary of questions and answers which seemed to be of general interest to all stockholders follows:

Mr. Donald K. Buxton, representing Lewis D. and John J. Gilbert and 23 other stockholders, asked if there had been any amendments to the by-laws of the Company since the last stockholders' meeeting. Mr. Biaggini said that there had been none, and replying to another question about officers' expenses during the year, he said that such accounts had been audited by the Vice President and Controller and found to be reasonable and in order.

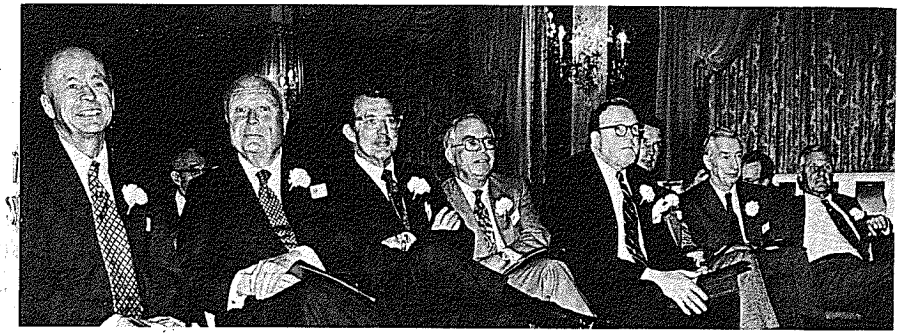
Mr. Buxton also asked whether any political contributions had been made by the Company. Mr. G. R. West, a partner of Haskins & Sells, independent certified public accountants for the Company, stated that he was aware that modest contributions had been made in certain states where they were permitted by law, and that no illegal or other payments of a sensitive nature came to their attention during the course of the audit.

Mr. Louis Gilman referred to the ownership of the Morgan Steamship Lines by Southern Pacific prior to World War II and asked whether, in view of the growing volume of container traffic, consideration might be given to the reestablishment of ocean service. Mr. Biaggini pointed out that all the ships of the Morgan Line had been requisitioned by the U. S. Government in World War II, at the end of which Southern Pacific had elected not to reinstate such service because of war-related damages to the ships. There are 22 steamship lines working with Southern Pacific in the movement of containers, and such cooperative effort is a more efficient and profitable use of Southern Pacific's resources than investing in the steamship business.

Mr. James W. Jones asked if it was anticipated that Southern Pacific would continue to have a Board of Directors of 12 members which the stockholders were electing today, as this number was somewhat smaller than previous Boards of the Company. Mr. Biaggini said that the by-laws of the Company provide for a Board of Directors of not less than 10 nor more than 16 members, and that the smaller Board at this time was only because two of its previous members, Messrs. Kenneth L. Isaacs and William Swindells, had reached the mandatory retirement age for Directors. In due course, the Board would undoubtedly take into consideration an increase in its membership with persons qualified to represent the interests of the stockholders.



Among the stockholders who asked questions from the floor were (from left) New Yorkers Ferdinand Nussbaum, Donald K. Buxton (who represented Lewis and John Gilbert and others), Harold Spies, and Mrs. Nat Sussman.



Ten members of Southern Pacific's Board of Directors attended the Annual Meeting, including (from left) Stephen D. Bechtel, Jr., Thomas M. Evans, John W. Hanley, Edmund W. Littlefield, Richard K. Miller, Michael A. Morphy, Henry T. Mudd and Richard S. Perkins. Directors B. F. Biaggini and Alan C. Furth sat at the head table.

On the subject of the Board of Directors, Miss Betty Spark asked why there were no women members. Mr. Biaggini said that the Directors represent a wide range of business interests and geographical areas which are particularly suited to the needs of the Company and its subsidiaries, and assured her there was no reason why a woman, with similar qualifications, could not be considered in the future.

Mr. Donald Park asked about the status of negotiations with the Chicago, Rock Island & Pacific Railroad Company for the acquisition by Southern Pacific of the line of railroad from Santa Rosa, New Mexico to St. Louis, Missouri. Mr. Biaggini stated that the Trustee in Bankruptcy of the Rock Island was reviewing the proposal submitted by Southern Pacific and that he was hopeful that an agreement could be reached in the next several months.

Mr. Park also asked about the downtrend in the volume of perishable traffic handled by Southern Pacific. Mr. Biaggini explained that fresh fruits and vegetables are exempt from tariff rate regulations when carried in trucks, in contrast to rules requiring enforcement of tariff rates for rail perishable shipments. The number of illegal and unregulated highway operators now handling perishable products has grown substantially, especially over the last five years, and such operators come to the West Coast with contract cargo and return East with agricultural commodities. He said that until the regulations prescribed equal treatment for railroads in the transportation of agricultural commodities, erosion of this traffic would continue.

Mr. Hal E. Smith, an employe of Pacific Motor Trucking Company, a subsidiary of Southern Pacific, asked when it could be expected that the Interstate Commerce Commission would act on Pacific Motor Trucking Company's application to remove the restrictions on its operating rights in Arizona, California and Nevada. Mr. Biaggini said that the Commission had issued its order on May 18 removing substantially all such restrictions, and that PMT would now be in a position to compete on a more equal basis with other common carrier trucking companies. (An article on this subject is on page 5.)

Mrs. Nat Sussman and Mr. Alfred Russo asked about the possibilities of the dividend being increased in view of the fine year the Company had in 1976 and its exceptional performance in the first quarter of 1977. Mr. Biaggini indicated that the Directors of the Company would be convening immediately after adjournment of the Annual Meeting to consider the dividend and other business matters. (After reviewing present and prospective earnings of the Company, as well as its cash resources and requirements, the Board of Directors subsequently increased the regular quarterly dividend from $.56 a share to $.60 a share.)

In answer to a question from Mrs. Clara S. Flato as to whether the Carter Administration's attitude of favoring deregulation would be helpful to the railroads, Mr. Biaggini replied that less government regulation is very important to the future of a strong, efficient and economically sound railroad system. This was recognized by Congress when it passed the Railroad Revitalization and Regulatory Reform Act of 1976 and made clear its intent to introduce more flexibility in rate-making in order to improve railroad revenues, thereby enabling railroads to function as viable and effective competitors in the privately-owned national transportation system. Through subsequent promulgation of new and unnecessary regulations, however, the Congressional intent has been thwarted up to this time by the Interstate Commerce Commission. Nevertheless, Mr. Biaggini was

hopeful that the attitude of the Carter Administration would have a salutary effect on the regulatory agencies as they administer the Act in the future. Deregulation could be accomplished over a period of time on a step-by-step basis in conjunction with a program developed by railroads, shippers and regulators so that the public would continue to be protected, with the railroads at the same time able to be more responsive to the needs of both the public and shippers.

Miss Spark and another stockholder asked about rail passenger service in the United States. Mr. Biaggini said that almost all of the intercity passenger service in this country is now operated by the National Railroad Passenger Corporation (Amtrak) and that the future of such service is dependent on the taxpayers' willingness to subsidize its ever increasing and substantial losses. Southern Pacific operates trains on a contractual basis for Amtrak from Los Angeles to Portland, Oregon, from Oakland, California, to Ogden, Utah, enroute to Chicago, and from Los Angeles to New Orleans, and is reimbursed for the costs incurred. In an energy shortage economy, however, it had to be emphasized that the bus is the more efficient and economical mode of surface transportation.

Dividend

At its meeting, after the conclusion of the Stockholders' Meeting, the Board of Directors declared a quarterly dividend of $.60 a share on the outstanding capital stock payable June 20, 1977 to stockholders of record May 31, 1977. Previously the quarterly dividend had been $.56 a share.

Directors and Officers Present

The following Directors and Officers of the Company were in attendance:

DIRECTORS: Stephen D. Bechtel, Jr., B. F. Biaggini, Thomas M. Evans, Alan C. Furth (Executive Vice President-Law), John W. Hanley, Edmund W. Littlefield, Richard K. Miller, Michael A. Morphy, Henry T. Mudd and Richard S. Perkins. Mr. Henry U. Harris, an Honorary Director who served on the Board until 1972, was also present.

OFFICERS: Robert J. McLean, Executive Vice President-Finance; A. D. DeMoss, Vice President; W. R. Denton, Vice President; D. L. Praeger, Vice President and Controller; J. G. Shea, Vice President-Public Relations; B. G. McPhee, Assistant Vice President and Treasurer; H. A. Waterman, General Counsel; A. E. Hill, Secretary; and H. R. Huber, Transfer Agent.

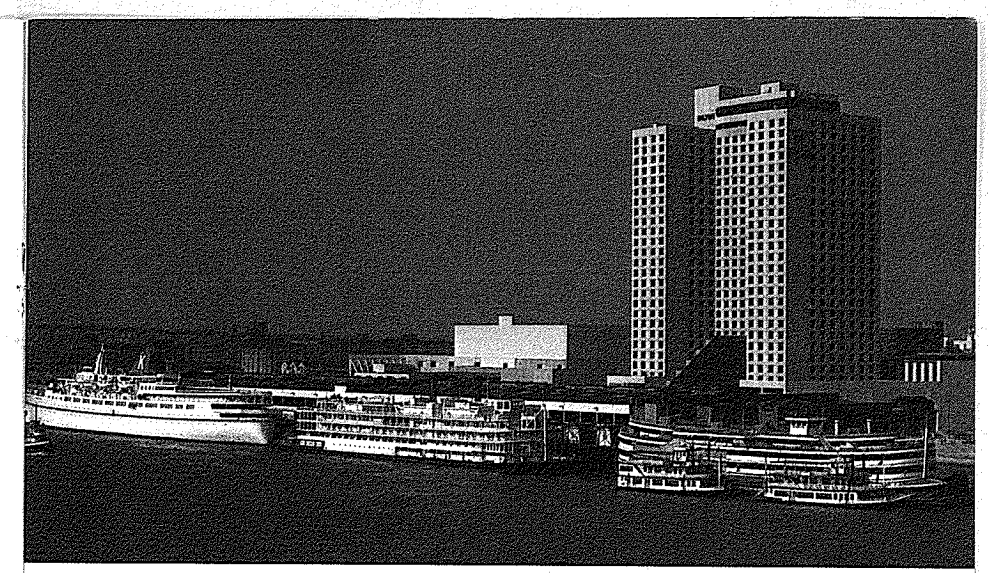
Officers of the following subsidiaries were also present: Southern Pacific Transportation Company—D. K. McNear, President; F. E. Kriebel, Executive Vice President-Traffic; R. E. Wynkoop, Assistant Vice President-Sales (Chicago); W. T. Delmater, Regional Sales Manager (New York); H. J. Riopelle, Area Sales Manager (New York). Southern Pacific Land Company—O. G. Linde, President. Southern Pacific Communications Company—C. Gus Grant, President.

Mr. G. R. West, partner of Haskins & Sells, independent certified public accountants for the Company and its subsidiaries, was also present.

A. E. HILL
Secretary

June 30, 1977

Stockholders Elizabeth and Mohammed Abbassi (far right) of New York City join D. K. McNear (left), President of Southern Pacific Transportation Co., and Robert J. McLean, Executive Vice President-Finance, in watching a videotape of four nationally-televised Southern Pacific news events. A second videotape featured Southern Pacific's intermodal services.



New Orleans' International Rivercenter Opening Highlights Land Developments

Southern Pacific for many years has been actively developing selective parcels of its diversified property in the West and Southwest. The Company generally leases underlying ground to developers, but recently, when attractive profits are at hand, one of SP's land subsidiaries often has assumed the developer's role for the entire project itself, or has invested equity in a joint venture.

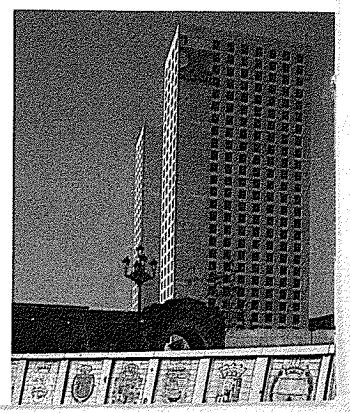
One impressive example is the International Rivercenter, pictured above rising on the New Orleans waterfront on a 23-acre site formerly covered by old steamship wharves, levees, warehouses and railroad sidings. Partners with Southern Pacific Development Co. in this complex are Hilton Hotels Corp., Louisville and Nashville Investment Corp., and two prominent New Orleans entrepreneurs, Coleman Development Co. and Lester E. Kabacoff.

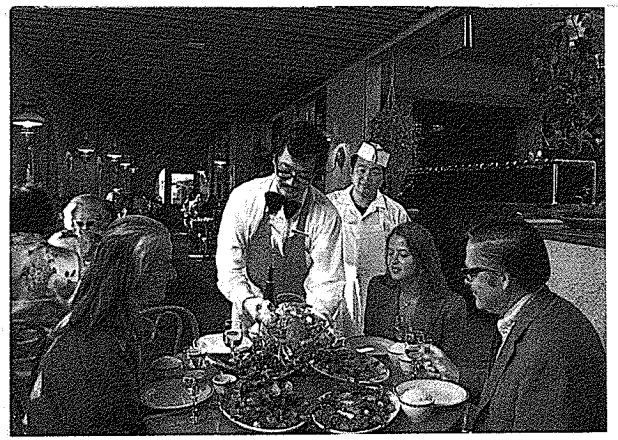
Capping International Rivercenter are the twin 30-story towers of a new, 1,200-room Hilton Hotel, also shown at right from the Plaza de Espana. It will open in August.

The Rivercenter, acclaimed in New Orleans as the first major development to open up the Mississippi riverfront for tourist-retail-recreational access, includes the Cruise Passenger Terminal, already open for such vessels as the *Daphne*, the 16,000-ton cruise liner at left, and the *Mississippi Queen*, the river cruise boat at center.

A picturesque 200,000-square-foot shopping mall takes full advantage of the river views on the floor above the Terminal. Called the Wharf—that's what is used to be—it is 90% complete and will house 60 retail stores (including a large specialty department store), six fine restaurants, a dinner theater, a jazz hall and a discotheque. A tennis club, with indoor and outdoor courts, and parking garages for 2,500 cars are included in the first phase development. Future plans include office buildings and condominiums.

Rivercenter is close to New Orleans' storied French Quarter, the Superdome and the downtown district, and just across the street from the International Trade Mart and big Rivergate Convention Center.





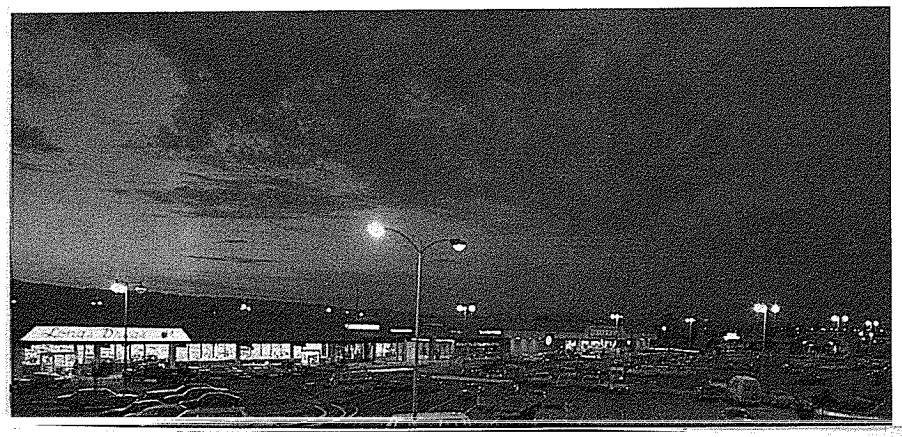
Attractive New Uses For Old Railroad Land

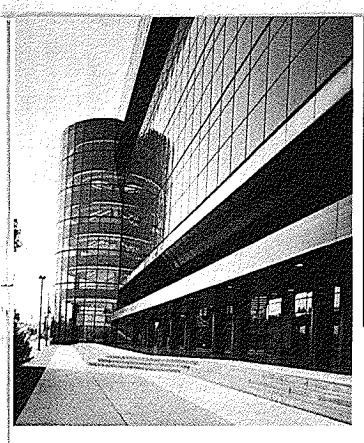
Conversion of valuable land no longer needed for railroad operations has been a specialty of SP land managers for many years. Examples include One Market Plaza, the full-block office complex dedicated last Fall at Southern Pacific's headquarters in downtown San Francisco. Nine other developments on SP property in California are illustrated on these pages.

China Station (top left) is a popular Chinese restaurant which opened recently in our former Berkeley passenger station. Two other restaurants are located on adjacent SP land.

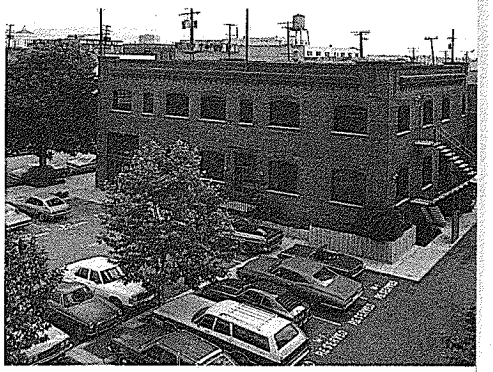
The Walnut Creek Railroad Station (center) is both the location and name of an attractive new theme restaurant housed in the former station and a renovated private railroad car built in 1902. An office building (in the background) also was built on the SP property.

In Livermore, the Arcade Shopping Center (below) was designed by SP Development Co. as the first phase of a nine-block downtown commercial center on railroad land made available by a track relocation project. Plans are underway for second-phase building.



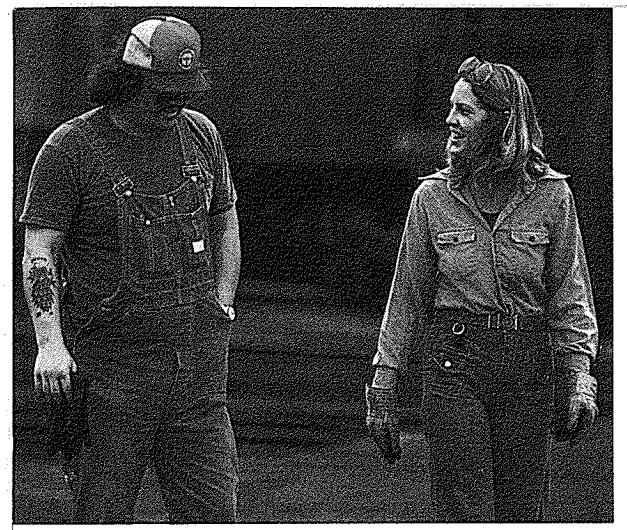


Pacific Design Center (left) is a six-story, 750,000-square-foot central merchandise mart for Southern California's interior design and home furnishings trade, built where SP's former Pacific Electric subsidiary once had its West Hollywood rail yard. Another big market center is SP's Los Angeles Wholesale Terminal Market (above), where the dawn hours are busy for produce merchants who sell over half of the Los Angeles' area's fresh fruits and vegetables.



At Newport Beach, on a retired part of the old Pacific Electric Railway right-of-way near the ocean, an SP affiliate built the 51-unit Las Brisas Apartments (above). In Santa Monica, on three full blocks once occupied by a freight station and team tracks, Parr Investment Co. has put up two large factory-warehouse-office structures (below) for various tenants.

In Oakland, near Jack London Square, an old brick building, used years ago by our former East Bay Electric Railway subsidiary as linemen's quarters, was remodeled into attractive offices (above). At Stockton, a locomotive (below) performed the "ribbon-cutting" ceremony in June for SP's 106-acre El Pinal Industrial Park. The park is one of 60 owned and developed by SP to attract new industry.



Two SP locomotive enginemen, class of '76, compare notes above at Los Angeles' Taylor Yard. Jessie L. Morris and Louise Munyan both are scheduled for engineer's training in SP's locomotive simulator soon. Louise, a former high school teacher with a master's degree from California State University at Northridge, isn't bothered by generic job titles like fireman or brakeman. "They're just names for the assignment," she explains. "I know I'm a woman."

Linda George (at left, below) a University of Arizona graduate in chemistry and a former juvenile police officer who teaches desert survival to youth groups, works as a brakeman out of Tucson. "Most of the guys are very helpful," Linda says, "But I have to pull my own weight, and I like that."

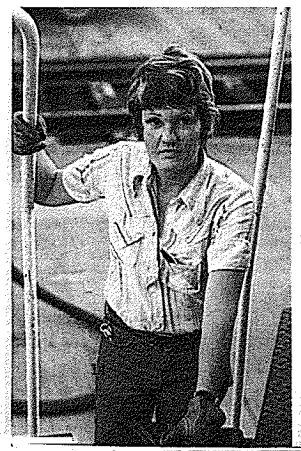
Firemen Janet Holmsley (center) and Barbara Schneider (right) have completed student runs between Sparks and Carlin, Nevada, and are in pre-simulator training as future engineers. "It's a job you can be proud of," says Janet, "with prestige and responsibility." Barbara adds: "It's the best thing that's happened."

WOMEN AT WORK

Early in 1974, Southern Pacific become the first American railroad to qualify women as locomotive engineers, as Evelyn Newell and Jackie Bigelow took over the throttles on trains running on the Western Division out of Oakland.

Now, there are nearly 40 women working on, or in training for, SP operating jobs — running or switching trains — in addition to many others working, or in apprenticeship, in such traditional male assignments as train dispatchers, electricians, carmen, or machinists.

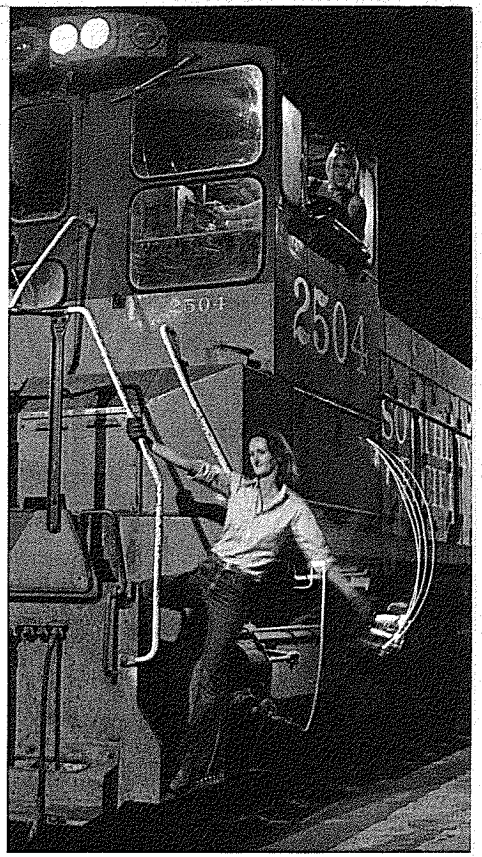
Five women now are on the locomotive engineers' roster, having completed rigorous on-the-road training as firemen, three weeks of classroom and locomotive simulator instruction at SP's Engine Service Training Center at Cerritos, Calif., and tough qualification tests under the eyes of experienced engineers. Another 21 young women are working or training as firemen, as the initial step in becoming engineers, and 12 more are working as brakemen or switchmen.

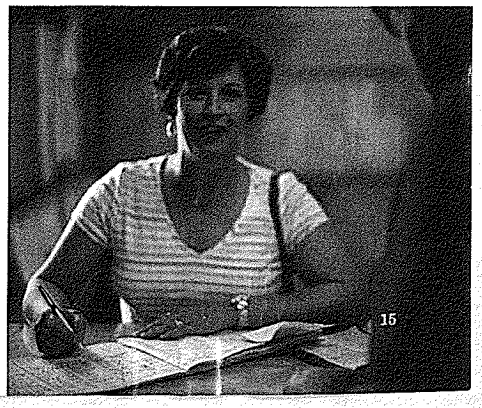


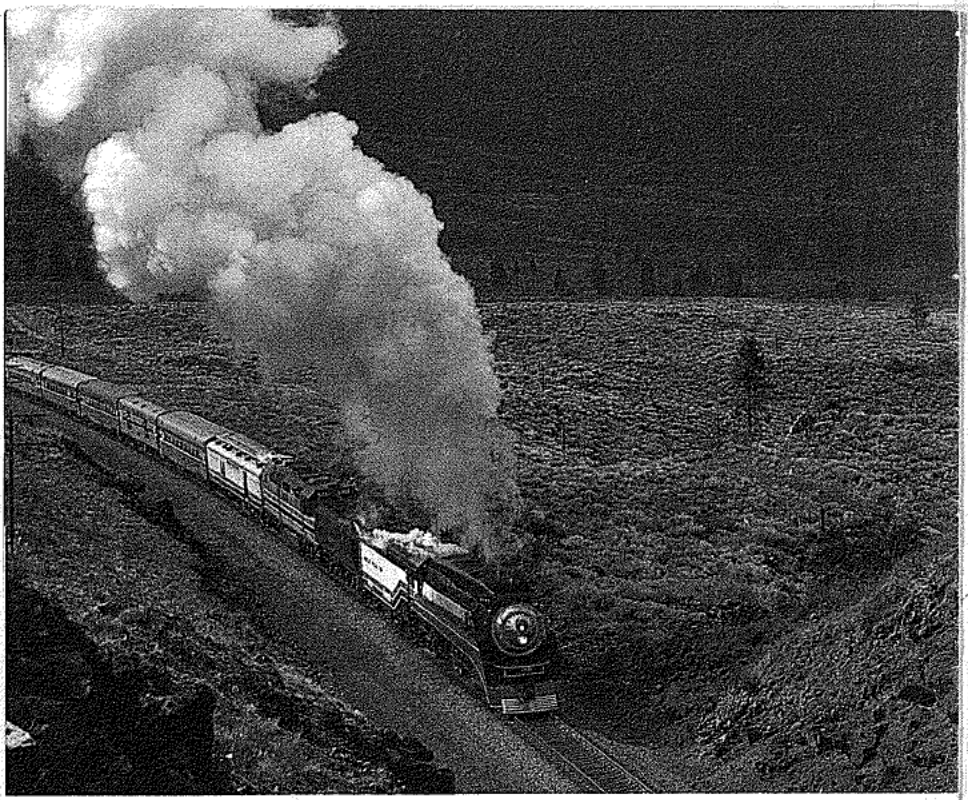
Julie Peters (above) is one of three women in a class of 10 firemen training for engineer assignments in Tucson. A 1972 graduate of the University of Arizona, she's assigned now as a hostler handling locomotives in the Tucson diesel facility.

Linda Timmons, in the cab of the switch engine at right, is another Tucson fireman. She joined SP as a clerk in El Centro, Calif., in 1974 but applied for engineer's training because "I like outdoor work and the pay looked good." Roberta Jones, on the footboard, is a brakeman who once drove 100-ton ore trucks at a copper mine, but finds each day on the railroad "presents something a little different."

Sue Creamer of Ogden, Utah (at right below) is one of five women on SP who already have locomotive engineer's seniority. Sue works on freight runs between Ogden and Carlin. Bonnie Sneddon (at left) and Michelle Butler (checking in with crew dispatcher at lower right) both are firemen at Ogden now working in engine hostling assignments — "challenging, different, outdoor work."







Heading Home

Its proud Bicentennial assignment pulling the American Freedom Train on its 1975-76 national tour at an end, former Southern Pacific "Daylight" steam locomotive No. 4449 powered an Amtrak excursion train near Weed, in Northern California, last April. The 36-year-old engine headed special excursion runs on SP lines from New Orleans to Los Angeles and on its old routes to Portland, Oregon, on its way back from the Freedom Train tour, and thousands of people turned out along the way to see the classic locomotive. Now it's in well-earned retirement in Portland, Oregon where the city — which owns 4449 — plans a permanent display.

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